

ICI Supports House Retirement Savings Account Legislation, July 2004

July 1, 2004

The Honorable Sam Johnson
Chairman
Subcommittee on Employer-Employee Relations
Committee on Education and the Workforce
U.S. House of Representatives
1211 Longworth House Office Building
Washington, DC 20515

Re: The Retirement Savings Account Act, H.R. 4714

Dear Mr. Chairman:

The Investment Company Institute¹ commends your efforts to establish an innovative, universal retirement savings vehicle. Americans face a significant challenge in preparing to meet their financial needs in retirement. This challenge is particularly pressing as members of the baby-boom generation near their retirement years. Providing strong and simple savings incentives, therefore, is vital to our nation's future. Your Retirement Savings Account ("RSA") legislation advances this critical policy objective.

The RSA, first proposed by the President last year as part of his savings initiatives, would be universally available to anyone saving for retirement. By avoiding complex and confusing eligibility rules—rules that often deter individuals from saving today—the proposal would significantly enhance participation and savings rates. In short, your efforts will bring long-term savings opportunities within the reach of all Americans.

We look forward to working with you, the Administration, and your colleagues in Congress to seek enactment of legislation that will help all individuals save toward a financially secure retirement.

Sincerely,

Paul Schott Stevens
President

ENDNOTES

¹ The Investment Company Institute is the national association of the American investment company industry. Its membership includes 8,633 open-end investment companies ("mutual funds"), 622 closed-end investment companies, 126 exchange-traded funds, and 5 sponsors of unit investment trusts. Its mutual fund members have assets of about \$7.393 trillion, accounting for approximately 95 percent of total industry assets. Individual owners represented by ICI member firms number 86.6 million as of mid 2003, representing 50.6 million households.